



PAPER CITY SAVINGS



February 7, 2011

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th St and Constitution Ave NW
Washington DC 20551

Re: Docket No. R-1404 and RIN No. 7100 AD63

Thank you for the opportunity to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule.

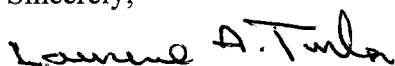
A President of Paper City Savings Association I am writing to express my opposition to the proposed rule. Paper City Savings is a 155 million dollar mutual thrift located in central Wisconsin. The Association is a mortgage lender specializing in single family home lending. Funding is achieved primarily through local deposits. As a true community bank our philosophy does not include charging a lot of fees to our deposit customers. We pride ourselves on providing our customers with free checking and free debit card services. The proposed rule would make it impossible to continue providing these services to our customer base, already reeling from economic turmoil.

The proposal does not come close to allowing our small thrift to cover the cost of debit card services let alone the cost of fraud prevention and fraud losses. In addition, the safe harbor provision will not protect small issuers from market forces.

I encourage the Board to exercise discretion to the maximum permitted under the statute. The calculation of the fee should include: network fees; the cost of inquiries and disputes; fraud losses and fraud prevention costs; fixed costs, including capital investments; and a reasonable profit.

Thank you again for the opportunity to explain the significant negative impact the proposal will have on our institution and our customers.

Sincerely,



Lawrence A. Turba
President

MAILING ADDRESS: PO BOX 339 WISCONSIN RAPIDS, WI 54495-0339

PHONE 715 423-8100 FAX 715 422-1820

www.papercitysavings.com

